

pared for early submission to Congress and now is under discussion between the State Department and the Bureau of the Budget.

At the same time that the blocked assets are made liable to private claims, it is proposed to release about \$9,000,000 of assets of the Soviet Union involved in the so-called Litvinov assignment which dates from United States diplomatic recognition of the Soviet Government. The act involved assignment of Russian properties here to the United States Government.

How much is involved in the claims of United States nationals to which the blocked assets would be applied officials here will not say since the total would be meaningless. While they far exceed the value of the blocked assets, the claims as stated have little relation to actual value past or present. That is another way of saying they are "padded."

Claims in Seven Categories

Actually the claims of United States citizens against the three satellite governments fall into seven categories. Chief among these are properties and other assets of Americans that were nationalized when the Communist regime took over in the satellite nations.

Another large category of claims is based on war damage to plants and equipment, residential buildings and other property. Bank deposits of Americans in the three satellites, as well as defaulted bonds of the predecessor governments, is another. Homes of emigrants to the United States that were seized by the Communist states are another.

What agency is to inherit the job of untangling what officials term "a big can of worms" will be for Congress to decide when it approves the legislation authorizing the vesting of the properties, which means the taking of title by the United States Government. At present, the State Department, the office of Alien Property Custodian and the International Claims Commission all have a share in the problem.

Illustrative of the padded and excessive valuations to be dealt with is a claim against the Government of Yugoslavia and not involved in the proposed vesting of Soviet satellite assets here. The claim for \$156,000 represented that the Yugoslav Government had taken over a hotel and spa to which tourists had come for years to take the baths.

Popular 'Spa' Is Bathhouse

Because of present friendly relations between the two Governments it was possible for United States officials to investigate the claim on the spot. The popular "spa" turned out to be a modest rural inn that boasted in a separate building four cubicles equipped with a tub for those wanting a bath in

said Herr Dahlem was arrested May 12 in East Berlin and spirited away to an unknown destination. The East German newspaper also disclosed the expulsion of two other high-ranking party members. They are Fritz Buschner, a candidate of the party's central committee, and Mrs. Lena Fischer, whose position was not mentioned.

Berlin press reports said Herr Dahlem was charged with permitting "enemy agents" to infiltrate key Communist groups in the East zone government and in the Socialist Unity (Communist) Party.

Herr Dahlem was reported to have been closely associated with Communist plans for an East German "people's army." Last Aug. 16 as the main speaker at a

scene in a part of the world given the name 'Atlanta,' which clearly refers to the U.S.A. of today." Does Faust see Atlanta-America? We hear him say, in the third act, after his return to Germany:

"Come back—alas, come back, I find the homeland again gray and cold, and narrow and stuffy the old city with its dirty streets. How gladly I left it. Now it has me again in its clutches. What shall I do here? Thinking on the past, I can hardly say it was beautiful. And yet—Atlanta, how vast the light of your sun."

Neues Deutschland devoted five columns to the attack and held "this text is unsuited as the basis for a new German national opera."

THE WASHINGTON POST
Tuesday, May 19, 1953

West German Leaders Study Resumption of Soviet Trade

BONN, May 18 (AP)—West Germany plans to resume trade relations with the Soviet Union and Communist Romania.

Government officials said today that a list of goods which these two countries would like to buy in West Germany is being studied by German exporters. They added that no strategic goods would be shipped to the Reds.

Soviet and Romanian representatives handed their list to West German officials who attended the 26-nation trade conference in Geneva last month, these officials said. The conference was sponsored by the United Nations Economic Commission for Europe as a step toward reviving East-West trade.

Officials here said the West

German group at this conference also gave the Russians and Romanians a list of commodities the Germans would like to have.

West Germany already has formal trade agreements with such Communist-controlled countries as Poland, Bulgaria, Hungary and Czechoslovakia.

"If trade relations are established with Russia and Romania, it will be nothing more than the relations which already exist between Russia and many Western countries, particularly France and Britain," one official said.

German officials said the U. N. Economic Commission and Allied authorities in Germany will be kept fully informed of any negotiations or agreements with the Russians and Romanians.

the mineral waters. United States officials tentatively valued the lay-out at \$12,000.

It is believed that the same sort of "padding" may have been used in the claims against the satellite countries.

As to the latter's assets blocked in this country, the office of Alien Property Custodian assigned them a valuation as of November, 1951 of \$32,800,000 for Rumania, \$10,400,000 for Hungary and \$3,800,000 for Bulgaria.

These assets would be increased, however, by others to which the same countries formerly held title here but were vested prior to 1951 and still controlled by the Alien Property Custodian. Some of the vested assets have since been liquidated but others await final

adjudication.

Under the 1947 peace treaty with the satellite countries, the United States was authorized to take title to any of their assets in this country if for any reason they failed to settle claims of citizens of the United States. Although prodded many times since then by the State Department they have ignored United States demands.

The so-called Litvinov assignment under the terms of United States recognition of the Soviet Union gave the United States title to Russian properties here as an earnest of good faith pending a settlement of total United States claims against the Soviet Union. The Kremlin has ignored all State Department efforts to negotiate a settlement.

to life imprisonment.

A Foreign Office spokesman said today the latest approach by Hungary on Sanders' behalf "met with no success." He gave no other details.

There have been several big-scale amnesties in Russia, Romania and Czechoslovakia since the death of Stalin March 6 but not in Hungary. Officials here believe the Budapest government may follow suit after yesterday's general elections.

Sanders was jailed in November, 1949 with an American colleague, Robert Vogeler. Both were convicted on espionage charges. Vogeler was released in exchange for some concessions to Hungary by the U. S. Government.

VISHINSKY GIVES PARTY

Delegates Feted at His Home
N.Y. Times

—Lodge Sends MAY 19 1953

Special to THE NEW YORK TIMES.

UNITED NATIONS, N. Y., May 18—Andrei Y. Vishinsky, Soviet representative to the United Nations, gave a reception tonight at his home near Glen Cove, Long Island, for other permanent delegates. A moving picture was shown later.

This is believed to be the first time in years that the Soviet delegation has entertained anywhere except at the delegation offices at 680 Park Avenue, or that it has given a reception on any occasion except the anniversary of the Bolshevik revolution.

Henry Cabot Lodge Jr., United States representative, who is now on vacation, was invited but sent his regrets. No invitation was sent to Dag Hammarskjold, Secretary General, and it was assumed that this was a result of the fact that Mr. Vishinsky knew that Mr. Hammarskjold would be in Europe.

Byron Price, acting Secretary General, and other high United Nations officials also were not invited, nor was Dr. T. E. Tsiang, Nationalist Chinese delegate.

Wash. Times-Herald Chief Hungary Rabbi

Arrested in Flight

VIENNA, May 15 (Reuters)—Miklos Wallenstein, chief rabbi of Peos in Hungary, was arrested in an attempt to escape to Yugoslavia, refugees arriving here said Friday. The report puzzled friends of Wallenstein who said he was friendly with the Communist regime. MAY 16 1953